

**REDEVELOPMENT AGENCY OF WEST VALLEY CITY**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY ADOPTING THE SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA BUDGET AS APPROVED BY THE TAXING ENTITY COMMITTEE ON SEPTEMBER 18, 2008.**

**WHEREAS**, the Redevelopment Agency of West Valley City (the “Agency”) was created to transact the business and exercise the powers provided for in the former Utah Neighborhood Development Act, the former Utah Redevelopment Agencies Act, the current Utah Community Development and Renewal Agencies Act and any successor law or act (the “Act”); and

**WHEREAS**, pursuant to Section 17C-3-201(2) of the Act, the Agency has (a) prepared a draft of the Project Area Budget for the Southwest Economic Development Project Area, (b) made a copy of the draft Project Area Budget available to the public at the Agency’s offices during normal business hours, and (c) provided notice of the Budget hearing as required by Part 4 of Title 17C, Chapter 3 of the Act; and

**WHEREAS**, on August 11, 2008, the Agency published in the Salt Lake Tribune Newspaper, a newspaper of general circulation, a notice which met the requirements of Sections 17C-3-402 through 404 of the Act; and

**WHEREAS**, pursuant to the provisions of the Act, a public hearing was held on Tuesday, October 7, 2008, to allow public comment on the draft Project Area Budget and on whether the draft Project Area Budget should be revised, adopted or rejected; and

**WHEREAS**, the Agency has considered comments made and information presented at the public hearing relating to the draft Project Area Budget; and

**WHEREAS**, pursuant to the provisions of the Act, the Project Area Budget provides that 20% of the total tax increment received by the Agency from the Southwest Economic Development Project Area is to be allocated and used for housing as set forth in the Act; and

**WHEREAS**, the Agency has selected the option of collecting 85% of the annual tax increment from the Southwest Economic Development Project Area for fifteen (15) years up to a maximum of \$68,498,791; and

**WHEREAS**, the governing body of the Agency desires to approve and adopt the Project Area Budget.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY:**

Section 1. Southwest Economic Development Project Area Budget. As the project area budget, the Agency hereby approves and adopts, as a multi-year cumulative budget for the Southwest Economic Development Project Area (the "Project Area"), the Project Area Budget entitled "Southwest Economic Development Project Area, Redevelopment Agency of West Valley City, 15 Year Cumulative Multi-Year Budget, Utilizing 85% of the Tax Increment for 15 Years," as approved by resolution of the Taxing Entity Committee on September 18, 2008, and as shown on the attached Exhibit "A." The boundaries of the Project Area are more fully described and shown in the Project Area Plan.

The Project Area Budget is a multi-year cumulative budget. This means that the annual amounts of projected tax increment revenue to the Agency as shown in each year of the Project Area Budget are not limitations but are for informational purposes only, and that the Agency is authorized to receive 85% of the annual tax increment for fifteen (15) tax years, up to a maximum cumulative total of tax increment received by the Agency of \$68,498,791. Under the approved Project Area Budget the Redevelopment Agency is given the option to begin taking (to trigger the taking of) tax increment beginning with any year from 2010 to as late as 2012. The Agency specifically approves the following maximum dollar amounts and percentages for the multi-year cumulative Project Area Budget, applying the line item descriptions and maximum dollar amounts shown in the columns of the attached Project Area Budget, entitled "ALLOCATED \$ AGENCY RELATED 15 YEARS" and "ALLOCATED % OF TAX INCREMENT 15 YEARS" and percentages derived therefrom (or the percentages indicated in the Budget), of the attached Project Area Budget, and the Agency is authorized to receive and use tax increment, as follows:

The maximum total of all tax increment payable to the Agency over the fifteen (15) year Project Area Budget is 85% of the total tax increment but not to exceed \$68,498,791. From the total of all tax increment actually received by the Agency pursuant to this Project Area Budget, 20% thereof, using appropriate net present value calculations, if applicable, shall be allocated to housing purposes as required by and under Sections 17C-1-412 and 17C-3-202 of the Act, and up to \$1,712,470 but not to exceed 2.5% of the total tax increment received by the Agency over the entire fifteen (15) year period may be used by the Agency for administration purposes.

Section 2. Housing Allocation. Pursuant to the Project Area Budget, 20% of the tax increment received by the Redevelopment Agency is allocated for certain housing purposes, as required by the Act.

Section 3. Tax Increment Financing.

A. The Agency may collect tax increment from all or a part of the Project Area. The tax increment shall be paid to the Agency to finance or refinance, in whole or in part, the

development of the Project Area and publicly owned infrastructure within and outside the Project Area that benefit the Project Area, according to the amounts established by the Taxing Entity Committee as shown in the approved Project Area Budget attached as Exhibit "A" and in this Resolution; PROVIDED, HOWEVER, that the Agency notes the following restriction on use of tax increment established by the Taxing Entity Committee: “. . . the Agency shall not use any of the tax increment it receives pursuant to the Project Area Budget for: (a) the design, construction, modification, maintenance, or operation of any State-owned highway or road; or portions of the Project Area located on non-Hexcel property until the Agency has submitted to the TEC development and expenditure plans for the development of that area and obtained approval of the Taxing Entity Committee for the expenditures; TEC approval of expenditure plans shall not apply to expenditures related to property in the Project Area owned now or later acquired by Hexcel.

B. Subject to any limitations required by currently existing law (unless a limitation is subsequently eliminated, this Resolution hereby specifically incorporates all of the provisions of the Act that authorize or permit the Agency to receive tax increment from the Project Area and that authorize the various uses of such tax increment by the Agency, and to the extent greater authorization for receipt of tax increment by the Agency or use thereof by the Agency is provided by any amendment of the Act or by any successor provision, law or act, those are also specifically incorporated herein. It is the intent of this Resolution that the Agency shall have the broadest authorization and permission for receipt of and use of tax increment as is authorized by law, whether by existing or amended provisions of law. This Resolution also incorporates the specific provisions of tax increment financing permitted by Sections 17C-1-401 and 404 of the Act, which provide, in part, as follows:

- 401 “(1) An agency may receive and use tax increment and sales tax, as provided in this part.
- (2) (a) The applicable length of time or number of years for which an agency is to be paid tax increment or sales tax under this part shall be measured:
- . . . .
- (ii) for a post-June 30, 1993 urban renewal or economic development project area plan, from the first tax year for which the agency receives tax increment under the project area budget; . . .
- . . . .
- (b) Tax increment may not be paid to an agency for a tax year prior to the tax year following:(i) for an urban renewal or economic development project area plan, the effective date of the project area plan; . . .
- . . . .
- (4) With the written consent of a taxing entity, an agency may be paid tax increment, from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this title.
- (5) Each county that collects property tax on property within a project area shall pay and distribute to the agency the tax increment that the agency is entitled to collect under this title, in the manner and at the time provided in Section 59-2-1365.”

C. Subject to modifications of the Act by amendments or by any successor act or law, the Project Area Plan incorporates the provisions of Section 17C-1-408(2)(a) of the Act , which states:

- 408(2) “(a) The amount of the base taxable value to be used in determining tax increment shall be:
- (i) increased or decreased by the amount of an increase or decrease that results from:
    - (A) a statute enacted by the Utah State Legislature or by the people through an initiative;
    - (B) a judicial decision;
    - (C) an order from the Utah State Tax Commission to a county to adjust or factor its assessment rate under Subsection 59-2-704(2);
    - (D) a change in exemption provided in Utah Constitution, Article XIII, Section 2, or Section 59-2-103; or
    - (E) an increase or decrease in the percentage of fair market value, as defined under Section 59-2-102; and
  - (ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:
    - (A) in that year there is a decrease in the county's certified tax rate under Subsection 59-2-924(2)(c) or (d)(i);
    - (B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and
    - (C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.
- (b) Notwithstanding an increase or decrease under Subsection (a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (a).”

D. The Project Area Plan specifically incorporates the provisions of Section 17C-1-407(2)(a) of the Act as follows:

- 407 “(2) (a) An agency may not be paid any portion of a taxing entity’s taxes resulting from an increase in the taxing entity’s rate that occurs after the taxing entity committee approves the Project Area Budget unless, at the time the taxing entity committee approves the Project Area Budget, the taxing entity committee approves payment of those increased taxes to the agency.”

The Taxing Entity Committee did not approve, pursuant to Section 17C-1-407(2) of the Act, the inclusion of any increase in the tax rate after the time the Project Area Budget is approved. The portion of the taxes, if any, due to an increase in the tax rate shall not be distributed by the county to the Agency in the same manner as other property taxes are paid to the Agency.

E. As shown in the Project Area Budget, the Agency has elected to receive 85% of the tax increment monies from the Project Area for a period not to exceed fifteen (15) years, up to a maximum of \$68,498,791.

**IN WITNESS WHEREOF**, the Redevelopment Agency of West Valley City has approved, passed and adopted this Resolution this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

REDEVELOPMENT AGENCY  
OF WEST VALLEY CITY

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
SECRETARY

EXHIBIT "A"  
PROJECT AREA BUDGET